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SUBJECT: SLOVAK POLITICS: TROUBLES ALL AROUND

Classified By: Ambassador Rodolphe M. Vallee for reasons 1.4 (b) and (d)
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¶1. (C) Summary. Slovakia's current government probably represents the strongest possible coalition of parties, but rumors of early elections or new party alignments are kept alive by feuding, arrogance and conflicting interests. Vladimir Meciar and HzDS are testing their power within the coalition by blocking critical appointments and making surprise demands in Parliament and government institutions. SNS has been more pliable in Parliament, but its leader, Jan Slota, continues to embarrass Smer with his bigotry and boorishness. The opposition meanwhile is in disarray. SDKU, KDH and SMK each face internal dissent and collectively are unable to agree on a single set of priorities, much less a common candidate for the 2009 Presidential elections. The parties are now playing to their bases for support and recent poll numbers have given all the leaders cause for optimism should early elections be called. Still, the government parties have strong incentives to keep their coalition intact for the foreseeable future, not least the need to pass a budget that will ensure Slovakia's eligibility for Eurozone entry in January 2009. End summary.

THE COALITION

SMER

¶2. (C) Rumors that Smer plans to swap a coalition partner or call early elections have followed the government since PM Robert Fico announced his choice of coalition partners in July 2006. Recent polling has Smer's support at 36.3 percent of determined voters, more than twice that of the main opposition party SDKU. Fico knows, however, that Smer has historically done worse in elections than poll numbers would predict while SDKU has done much better. Although Fico can be sure his party would return to Parliament with the highest number of mandates if elections were held now, there are no guarantees he would find more pliable partners.

¶3. (C) The October 4 decision of the Party of European Socialists (PES) to continue Smer's suspension from its European grouping due to its coalition with the nationalist SNS led many pundits to consider that Fico's patience with the fiery Slota might be wearing thin. Several Smer-ites have told us, however, that HzDS is the more difficult partner.

¶4. (C) Boris Zala, Smer MP and Chairman of the Parliamentary Foreign Affairs Committee, told Ambassador on October 18 that Meciar's "stunt" of criticizing the PM before Parliament on the issue of reforms to the pension system had convinced several Smer leaders including himself, Chairman of Parliament Pavol Paska, and Interior Minister Robert Kalinak that it was time to call early elections. Zala said Fico resisted this advice because of the immediate need to pass a budget. According to Zala, Fico fears a delay in the budget, chaos in government or elections before the end of the year

could disrupt Euro adoption.

15. (C) Smer MP Peter Pelegrini told Poloff that many young Smer types dislike HzDS even more than the opposition parties, but see no practical advantage to getting rid of HzDS before 2010. Pelegrini would prefer a coalition with KDH and SNS. A coalition with Slovakia's two most right-wing parties could, however, make the passage of Smer's socialist-leaning legislative agenda even more difficult.

16. (C) Pal Csaky, the recently elected leader of SMK, believes Fico is "very nervous," and growing more concerned about the prominence of the SNS-HzDS agenda. Csaky, not surprisingly, believes Slota and SNS are a bigger problem for Fico than Meciar and HzDS. Csaky told Poloffs the opposition leaders recently discussed possible alternatives to the current coalition. Csaky believed the opposition would give Fico just enough support if he decided to push SNS out and govern in a minority with HzDS. Another option Csaky discussed was early elections, after which Smer could govern alone for a period or with SDKU in a "grand coalition." Csaky acknowledged the last scenario was the most "theoretical," but was convinced Fico is uneasy with the current alignment.

17. (C) Zala predicted that Smer will wait at least until March to decide what to do. He listed three options: 1) the status quo if Meciar behaves, 2) a new partner if Meciar pulls a stunt like criticizing Fico in the parliament again, or 3) new elections after a period of minority government with SNS, an option which would require SDKU's consent to meet the statutory threshold of new elections.

HZDS

BRATISLAVA 00000585 002 OF 004

18. (C) Despite leading the smallest of the coalition parties, Meciar has proven he can force the PM's hand on sensitive items. On October 26 HzDS MPs threatened at the last possible moment to vote against a Smer proposal to forbid health insurance companies from distributing dividends. According to press reports, the situation was resolved after Fico told his partners that he would consider their failure to support the bill a "serious violation of the coalition agreement." Fico called the vote a success because it demonstrated the "clear social-democratic orientation" of the government. Media, however, reported it as the "most serious crisis ever" of the ruling coalition. Earlier in October HzDS briefly delayed the passage of Labor Minister Viera Tomonova's controversial proposal to modify the pension savings system by threatening publicly and in Parliament to vote against it. Meciar likewise forced a modification to the proposed state budget to cut 200 million crowns from the Slovak Information Service (SIS, the Slovak Intelligence Agency). In these cases the PM relented and proposed revisions that he presented as "the result of an agreement among the (coalition) party chairmen." (Note. One item Meciar was not able to force through was the confirmation of a HzDS nominee to be deputy director of SIS. The Smer-nominated director has simply refused to appoint Meciar's man. Given Meciar's renowned ability to hold a grudge, this is likely the reason for his desire to see the SIS budget cut. End note.)

19. (C) Meciar has a reputation as a crafty politician who is willing to make and break deals behind closed doors. During the eight years HzDS was out of government its popularity fell from near thirty percent to under ten. Since coming back into government, however, HzDS's membership and poll numbers have both improved, and on the scale of Slovakia's parliamentary parties it is probably the most centrist. Were it not for their mercurial leader and the baggage they carry from his autocratic premierships in the 1990s, HzDS would be a desirable partner for any other grouping of parties. Meciar may believe he has little to lose and everything to gain by playing his time in government for every advantage.

¶9. (C) Zala, probably too optimistically, predicted HzDS would fail to reach 5 per cent of valid votes in early elections and be eliminated from Parliament. Pelegrini believes Meciar may be unstable enough to leave the coalition on his own.

SNS

¶10. (C) Katarina Nedvedalova, Smer's foreign relations secretary, told Poloff that Fico "took Slota to the carpet"

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(i.e. gave him a firm dressing-down) after he burnished his nationalist credentials by comparing Hungarians unfavorably to Nazis in a September interview with a Czech newspaper. According to Nedvedalova, Fico blamed that one interview for Smer's failure to regain full membership in PES. Slota has been uncharacteristically non-controversial since.

¶11. (C) SNS has supported Smer more faithfully in Parliament than HzDS, and has been more willing to accept substantive changes to their priority bills to satisfy Smer's concerns. An SNS proposal to recognize Andrej Hlinka as a "father of the Slovak nation" and make demeaning his name a criminal offense was watered down after both the PM and Meciar expressed reservations. (Note. Hlinka was a Priest and Politician who fought for Slovak independence first from Austria-Hungary and later from the first Czecho-Slovak state. Shortly before his death in 1938, Hlinka described himself as "the Slovak Hitler." End note.)

¶12. (C) Like Smer and HzDS, SNS's poll numbers have improved since joining the government. SNS controls the Ministries of Education, Environment, and Construction and Regional Development, and through these the party has access to vast EU cohesion funds which it can distribute as patronage. Slota is said to refer to the money controlled by SNS ministries as his own, and his reputation for corruption leads one to believe that the power to do business is more important to him than policy. Short of forming a coalition with SMK, Slota would probably do whatever was required to remain in government.

THE OPPOSITION

¶13. (C) Opposition party leaders meet regularly and have repeated their intent to work together to protect the reforms enacted when they were in power. In Parliament, however, they too often find themselves on opposite sides of issues, and internal dissent within KDH and SMK keep those parties playing to their divergent bases.

BRATISLAVA 00000585 003 OF 004

KDH

¶14. (C) KDH is driven ever further to the right by MP and former Interior Minister Vladimir Palko, who unsuccessfully challenged Pavol Hrusovsky for the party chairmanship last Spring. Palko, who leads what is widely and derisively known as the "Taliban Wing" of KDH, hosted a news conference on October 15 where he aligned himself with SNS in deriding a European Commissioner's proposal to ease immigration rules. Palko said new immigrants will be overwhelmingly Muslim and their integration would be problematic. He called instead on Slovak women to begin having more children.

¶15. (C) In an October 2 conversation with Poloffs, Palko dismissed rumors of a coalition shake-up, predicting without hesitation that it would hold until the elections. He also dismissed (somewhat disingenuously) reports of divisions within his own party. Palko claimed his wing of the party was not freelancing and that its initiatives were always raised

with the knowledge/support of the party.

SMK

¶16. (C) SMK's new leader, Pal Csaky, was elected last spring with the support of MP Miklos Duray, a Hungarian-nationalist who continues to call for autonomy for Slovakia's Hungarian minority. Csaky has been less reluctant than his predecessor, MP Bela Bugar, to push controversial issues of importance to the Hungarian minority. In the current climate of Slovak-Hungarian relations, however, his efforts have uniformly backfired and recent polls suggest that his electorate is unappreciative of his efforts. SMK,s support fell significantly in the most recent poll, which was taken after parliament passed a measure re-affirming the validity of the Benes decrees, a series of measures passed in 1948 that resulted in tens of thousands of ethnic Hungarians losing their homes and in some cases citizenship as a result of "collective guilt" for Hungary's crimes in World War II.

¶17. (C) In a September 28 conversation with Poloffs, Csaky denied SMK had proposed opening the Benes Decrees. He said his modest statements last summer regarding the decrees were motivated not by politics but by a desire to be responsive to his constituency on the occasion of commemorations of the 60th anniversary of the deportations of Hungarians from Slovakia. Csaky also informed Poloffs the same day that Hungarian President Solyom would pay a private visit to Slovakia as "a show of support" for him on October 2. That nobody bothered to announce the visit to the Slovak President's office until October 1, and Solyom's criticism of Slovak politics during his visit, seemed calculated to further inflame Slovak-Hungarian tensions, and perhaps cynically to motivate SMK,s base. When asked about KDH and SDKU support for the Benes decrees bill, Csaky said both Dzurinda and Hrusovsky had considered supporting SMK but were reluctant to fight a unanimous coalition on the issue. Despite this, SMK would continue to work with the other opposition parties on issues like pensions and the budget.

SDKU

¶18. (C) Outwardly SDKU is the most stable of the opposition parties. Insiders have told us, however, that there is increasing despondence and talk of forcing party leader Mikulas Dzurinda to step aside in favor of a more appealing face.

¶19. (C) Andrea Figulova, Assistant to SDKU MP Magda Vasaryova and a leader of SDKU,s youth wing, told Poloff on October 3 that SDKU MPs were increasingly convinced that Dzurinda drags them down in the polls. She complained that Dzurinda is still treated like the PM by those closest to him and is often kept in the dark on important issues. Figulova claimed many MPs pressuring Dzurinda to run for President in 2009 mostly as a way to move him aside in favor of a more appealing leader such as former Labor Minister Iveta Radicova, who is the only opposition MP to consistently rank among the most trusted politicians in public opinion polls.

¶20. (C) SDKU MP Viliam Novotny, Chairman of Parliament's Health Committee, told Poloffs on October 16 that the opposition is still in the "self searching" mode and may still find a "new model." Novotny described the smaller opposition parties as "jealous" of SDKU,s status as the main opposition party, and acknowledged that intra-party rivalries further complicate the picture. Vladimir Palko was "destroying" KDH and SMK is focused on opening old issues. As for SDKU, it would continue to focus on the key issues: pensions, Euro entry, health care and preservation of earlier reforms.

¶21. (C) Zala said he has been urging his childhood friend Radicova to take control of SDKU and make it a truly liberal

party, but thinks Dzurinda would fight hard to hold his leadership. Zala agreed with the Ambassador that a coalition with SDKU would be more natural, and noted that he lead negotiations with SDKU after the 2006 election. Zala said that Smer's top three coalition options immediately following the 2006 elections were Smer/SDKU, Smer/KDH/SNS and Smer/KDH/SMK. A Smer-SDKU grand coalition was the first choice of 70% of the Smer presidency, according to Zala, but unfortunately SDKU,s negotiator, former Finance Minister Ivan Miklos, had been "a complete, arrogant jerk." (Comment: Smer announced it would form a coalition with SNS and HZDS just two weeks after the 2006 polls - the fastest any coalition has been agreed on since Slovak independence. End comment.)

122. (C) Pelegrini thinks a Smer-SDKU coalition could work from a policy perspective, and sounded like he would prefer to see this after elections in 2010. Pelegrini thinks that too many years with SNS and HZDS will eventually cost Smer with younger voters. But, he added, SDKU needs to be kept in its current role in opposition for as long as possible because they are "bad at it" and people need to see that they "SDKU is really just Dzurinda and a couple other people." Pelegrini predicted SDKU might splinter if they stay in opposition.

PRESIDENTIAL POLITICS

123. (C) As for an opposition presidential candidate, Csaky said discussions were still in the early stages. Hrusovsky has ambitions - Figel was a possibility. Csaky ruled out Radicova, saying Slovakia was not yet ready for a female Head of State. (Comment: Csaky was less critical of the lamentable state of the opposition than almost any other interlocutor with whom we have recently met. It is not surprising that Csaky would attempt to downplay SMK,s single-issuue focus by suggesting solidarity with the rest of the opposition on issues of broader relevance for the country. End comment.)

124. (C) Novotny predicted the opposition would not repeat past mistakes and would eventually coalesce around a single presidential candidate. Novotny believes the race for an opposition Presidential candidate is between Radicova and European Commissioner Jan Figel.
VALLEE